

## Social Security Administration

## Internal Revenue Service

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# Reporter

Fall 2009

A Newsletter for Employers

## American Recovery and Reinvestment Act of 2009 Provides Energy Incentives for Businesses

The American Recovery and Reinvestment Act of 2009 (ARRA) provides a number of energy tax incentives for both small and large businesses. The IRS encourages businesses to explore whether they are eligible for any of the new energy tax provisions as many energy-saving steps taken this year may result in bigger tax savings next year.

*Here are some of the major provisions that apply:*

### Extension of Renewable Energy Production Tax Credit

This law extends the "eligibility dates" of a tax credit for business facilities that use wind, closed-loop biomass, open-loop biomass, geothermal energy, municipal solid waste, qualified hydropower and marine and hydrokinetic renewable energy. The "placed in service date" is now Dec. 31, 2012 for wind facilities and Dec. 31, 2013 for the other facilities.

### Election of Investment Credit in Lieu of Production Credit

Businesses that operate facilities that produce electricity from wind and some other renewable resources after Dec. 31, 2008 can now choose either the energy investment tax credit or the production tax credit.

### Repeal of Certain Limits on Business Credits for Renewable Energy Property

ARRA repeals the \$4,000 limit on the 30 percent tax credit for small wind energy property and the limitation on property financed by subsidized energy financing for property placed in service after Dec. 31, 2008.

**Coordination with Renewable Energy Grants** Business taxpayers can apply for a grant in lieu of claiming either the energy investment tax credit or the renewable energy production tax credit for property placed in service in 2009 or 2010.

### Temporary Increase in Credit for Alternative Fuel Vehicle Refueling Property

Qualified property placed in service in 2009 and 2010 is now eligible for a 50 percent credit, and the

per-business location limit increases to \$50,000. Property relating to hydrogen remains at the 30 percent rate, but the per-business location limit rises to \$200,000.

*In addition, there are several other energy credits available that small businesses should be aware of, such as:*

**Residential Energy Property Credit** The new law increases the energy tax credit for homeowners who make energy efficient improvements to their existing homes. The new law increases the credit rate to 30 percent of the cost of all qualifying improvements and raises the maximum credit limit to \$1,500 for improvements placed in service in 2009 and 2010. The credit applies to improvements such as adding insulation, energy efficient exterior windows and energy-efficient heating and air conditioning systems.

**Plug-in Electric Drive Vehicle Credit** The new law modifies the credit for qualified plug-in electric drive vehicles purchased after Dec. 31, 2009.

**Plug-In Electric Vehicle Credit** The new law also creates a special tax credit for two types of plug-in vehicles — certain low-speed electric vehicles and two- or three-wheeled vehicles.

IRS

### Learn More Online

- The American Recovery and Reinvestment Act of 2009: Information Center, [www.irs.gov/newsroom/article/0%2C%2Cid=204335%2C00.html](http://www.irs.gov/newsroom/article/0%2C%2Cid=204335%2C00.html)
- Energy Incentives for Businesses in the American Recovery and Reinvestment Act, [www.irs.gov/newsroom/article/0%2C%2Cid=209564%2C00.html](http://www.irs.gov/newsroom/article/0%2C%2Cid=209564%2C00.html)
- Energy Incentives for Individuals in the American Recovery and Reinvestment Act, [www.irs.gov/newsroom/article/0%2C%2Cid=206875%2C00.html](http://www.irs.gov/newsroom/article/0%2C%2Cid=206875%2C00.html)

## Take Advantage of Social Security's Business Services Online

**B**usiness Services Online (BSO) lets organizations and authorized individuals conduct business with and submit confidential information to Social Security. You must register to use this website. Registered users may request, activate and access various BSO services and functions.

### The following services are available within BSO:

**Report Wages to Social Security**—Send W-2s and W-2cs to Social Security either by uploading a specifically formatted electronic file or by directly keying W-2s and W-2cs in an online form. You can view file processing status. Notices to resubmit a wage file can be acknowledged online. In addition, you can request a one-time 15-day extension of the deadline for resubmitting wage data.

**View File/Wage Report Status, Errors, and Error Notices**—View the processing status, errors and error notices for wage files and/or wage reports submitted by or for your company.

**View Name and Social Security Number Errors**—View the processing status, errors (including Name and Social Security number (SSN) mismatches), and error notices for wage files and/or wage reports submitted by or for your company.

**Social Security Number Verification Service**—Complete an online form or submit specifically formatted files to request verification of names and SSN of employees of the company for which you work or the company that has hired you to perform this service.

### Proper Uses of Social Security Number Verification Service (SSNVS)

■ Social Security will verify SSNs solely to ensure that the records of current or former employees are correct for the

purpose of completing Form W-2 (*Wage and Tax Statement*).

- Do not use the service to verify SSNs of potential new hires or contractors.
- Company policy concerning the use of SSNVS should be applied consistently to all workers, for example:
  - If used for newly hired workers, verify information on all newly hired workers.
  - If used to verify information on other workers on your database, verify the information for all workers on the entire database.
- Third party use of SSNVS is strictly limited to organizations that handle annual wage reporting responsibilities for employers and have an authorized and valid contract to do so. SSNVS is not for individuals/companies who conduct identity verification, background checks or other related services for employers or other parties.
- Anyone who knowingly and willfully uses SSNVS to request or obtain information from Social Security under false pretenses violates Federal law and may be punished by a fine, imprisonment, or both.
- Social Security will advise you when a name and SSN you submitted does not match our records.
  - This response does not imply that you or your employee intentionally provided incorrect information about the employee's name or SSN.
  - This response does not make any statement about your employee's immigration status.
  - This response is not a basis, in and of itself, for you to take any adverse action against the employee, such as

laying off, suspending, firing, or discriminating against the employee.

*If you rely only on the information SSA provides regarding name and SSN verification to justify adverse action against a worker, you may violate State or Federal law and be subject to legal consequences.*

**Form SSA-1694**—Submit or update Business Taxpayer Information in order to receive a Form 1099 for work related to claimant representation.

**Internet Representative Payee Accounting Service**—Allows individual and organization representatives to file their Representative Payee Report electronically. This includes the following:

- Form SSA-623 for Individual Representative Payee;
- Form SSA-6230 for parents, stepparents and grandparents with minor children in custody; and
- Form SSA-6234 for Representative Payee organizations.

Allows submission and printing of the appropriate representative payee accounting forms and allows downloading submitted forms for up to 30 days after submission.

**Account Maintenance**—Request access to BSO services, activate services, change your password, update your user registration information, update your employer information, deactivate your User ID, remove employer information, and remove access to BSO services. **SSA**

### Learn More Online

■ Business Services Online, [www.ssa.gov/bsowelcome.htm](http://www.ssa.gov/bsowelcome.htm)

## Business Services Online—Software Demonstration

**T**his software demonstration uses dynamic screen simulations and supporting audio to provide an introduction to the use of Business Services Online (BSO) for electronic wage reporting. It is for employers and/or submitters who would like to explore the business services available.

It is divided into five sections of recorded screen actions that can be viewed individually. The content is generic in nature and is intended to provide you with a clear overview of the common services available. It does not provide specific instructions for every possible use of Business Services Online.

You will need the Macromedia Shockwave Player to view the demonstration. If you do not have Shockwave Player on your computer, you can use the link below to download a free copy. **SSA**

### Learn More

- Business Services Online Software Demonstration, [www.ssa.gov/employer/OnlineEWR\\_Intro.htm](http://www.ssa.gov/employer/OnlineEWR_Intro.htm)
- Download Adobe Shockwave Player, <http://get.adobe.com/shockwave>
- Call 1-800-772-6270 (TDD/TTY 1-800-325-0778) or send an email to [employerinfo@ssa.gov](mailto:employerinfo@ssa.gov)

## Understanding Electronic Records Express

**E**lectronic Records Express is an initiative by Social Security and state Disability Determination Services (DDS) to offer electronic options for submitting health and school records related to disability claims.

**When you receive a request for health or school records or other information about a person who has applied for Social Security disability benefits, you can choose the method of sending the information that works best for you:**

- online to Social Security's secure website; or
- By fax to your state DDS or to Social Security.

The records you send are automatically associated with the applicant's unique disability claim folder. **SSA**

### Learn More Online

■ Electronic Express Records Login, <https://secure.ssa.gov/aci/iresearch/login?URL=/apps9/ERE/home.do>

## October is National Disability Employment Awareness Month

### Tax Benefits for Businesses that have Employees with Disabilities

October is National Disability Employment Awareness Month. Small businesses can increase awareness and share information about the contributions and skills of workers with disabilities and may also be eligible for federal tax credits.

There is a wide array of tax benefits available to persons with disabilities, ranging from standard deductions and exemptions, to business and itemized deductions, to credits. (More information is available at IRS.gov, search *disability*, or consult the resources listed at the end of this article.) Businesses accommodating people with disabilities may qualify for some of the following tax credits and deductions:

- **Disabled Access Credit** provides a non-refundable credit for small businesses that incur expenditures for the purpose of providing access to persons with disabilities.
- **Architectural Barrier Removal Tax Deduction** encourages businesses of any size to remove architectural and

transportation barriers to provide easier access for persons with disabilities and the elderly. Businesses may claim a deduction of up to \$15,000 a year for qualified expenses for items that normally must be capitalized.


- **Work Opportunity Credit** provides eligible employers with a tax credit of up to 40 percent of the first \$6,000 of first-year wages of a new employee who is disabled.

### Talking Tax Forms

The IRS is committed to making every document available at IRS.gov accessible to the widest possible audience. This includes persons using special assistive technology, such as screen reading software, refreshable Braille displays, and voice recognition software.

There are currently more than 550 talking tax forms that work with MSAA-compliant screen readers, as well as Dragon Naturally Speaking voice recognition software. Forms and other government documents require the use of Adobe Acrobat Portable Document Format (PDF). Submit

comments on the "talking" tax forms using the comments page (see below).

The IRS Alternative Media Center offers hundreds of its most popular tax forms and publications for download. All forms have been transcribed for Braille, and can be sent directly to an embosser for high quality Braille output. Visit IRS.gov, search *accessible*, for more information. 

### Learn More Online

- Tax Benefits for Businesses Who Have Employees with Disabilities, [www.irs.gov/businesses/small/article/0%2C%2Cid=185704%2C00.html](http://www.irs.gov/businesses/small/article/0%2C%2Cid=185704%2C00.html)
- Disability Information for Individuals, Businesses, and Partners Providing Services, [www.irs.gov/individuals/article/0%2C%2Cid=186828%2C00.html](http://www.irs.gov/individuals/article/0%2C%2Cid=186828%2C00.html)
- Comments on Talking Tax Forms, [www.irs.gov/formspubs/page/0%2C%2Cid=10178%2C00.html](http://www.irs.gov/formspubs/page/0%2C%2Cid=10178%2C00.html)
- Accessible IRS Tax Products, [www.irs.gov/formspubs/article/0%2C%2Cid=96151%2C00.html](http://www.irs.gov/formspubs/article/0%2C%2Cid=96151%2C00.html)

## Take the Next Step: Ask Your Tax Professional to e-file Your Return

When preparing their income tax returns, many taxpayers rely on the services of a tax professional to help determine qualified deductions, answer questions and decipher the latest tax rules and regulations. Tax professionals, who are on top of the latest business trends, also use e-file.

### Advantages of e-file

Using electronic filing and paying continues to grow. More than 90 million tax returns were electronically filed in 2009, with 59 million of all returns being e-filed by tax professionals due to the benefits of e-file over paper returns:


- IRS e-file is popular because it's fast, secure and accurate.
- An electronically prepared and filed return has an error rate of less than 1 percent, compared to about 20 percent for a paper prepared return.
- Taxpayers can receive a refund in as little as 10 days if they request that their tax professional use e-file and Direct Deposit.
- Taxpayers who owe can pay electronically by debiting their financial account or using a credit card, and can even defer payment until April 15.

### Ask Your Tax Professional to e-file

Taxpayers who use tax professionals to prepare their returns should ask them to use e-file, even if

some charge a fee. Tax professionals who are accepted into the IRS's *e-file* program are called "Authorized IRS *e-file* Providers." Taxpayers can identify these approved practitioners by looking for this designation.

The IRS is making it easier for taxpayers and tax professionals to use e-file. e-file has improved over the years with nearly all tax forms available now. Taxpayers are now able to sign their tax forms electronically with a designated PIN using the previous year's adjusted gross income (AGI). In addition, there are several resources on IRS.gov for questions and support on e-file.

Increasingly, taxpayers will be asking their tax professionals to e-file their returns for the many benefits that include speed of their refund and accuracy in their return. To learn more about benefits of e-file or about "Authorized IRS *e-file* Providers," visit IRS.gov. 

### Learn More Online


- IRS *e-file*: Filing your taxes online was never easier! [www.irs.gov/efile/index.html?portlet=8](http://www.irs.gov/efile/index.html?portlet=8)
- e-file Made Easy—A Tax Professional's One-Stop e-file & e-Pay Shop, [www.irs.gov/efile/article/0%2C%2Cid=120335%2C00.html](http://www.irs.gov/efile/article/0%2C%2Cid=120335%2C00.html)

## Combined Federal State Filing Program Enhances Validation Process

The Combined Federal State Filing Program was established to simplify reporting of Information Returns (1099-DIV, 1099-G, 1099-INT, 1099-MISC, 1099-OID, 1099-PATR, 1099-R and 5498) to participating states. Due to increased concerns over proper disclosure of information, the Information Reporting Program is enhancing the validation process of combined federal/state data.

Beginning in Tax Year 2009 (Calendar Year 2010), the IRS will verify the accuracy of the following field positions:

- If field position 26 in the 'A' record contains a '1,' then field positions 747-748 in the 'B' record must contain a valid state code or blanks.
- If the 'B' record contains a state code in field positions 747-748, then the 'A' record must contain a '1' in field position 26.

To ensure that your files are accurate, we encourage all participants to send a test file annually prior to submitting your original information returns. IRS will accept test files electronically through the FIRE (Filing Information Returns Electronically) System from November 1 through February 15. 

### Learn More Online

- Pub 1220, *Specifications for Filing Forms 1098, 2099, 3921, 3922, 5498 and 8935 Electronically*, [www.irs.gov/pub/irs-pdf/p1220\\_07.pdf](http://www.irs.gov/pub/irs-pdf/p1220_07.pdf)

# News from the Office of Child Support Enforcement

## OCSE Portal Saves Employers Time and Money When Filing Child Support Orders Electronically

The Federal Office of Child Support Enforcement's (OCSE) Portal is bringing standardization and centralization to the child support community with Electronic Income Withholding Orders (e-IWO).

The Electronic Income Withholding Order (e-IWO) enables State child support enforcement agencies to electronically transmit Income Withholding Orders (IWOs) to employers using standardized, uniform record layouts based on the "Income Withholding for Support" document.

### Advantages of e-IWOs

Many large employers and 19 States are taking advantage of the fully functional and operational electronic process using the OCSE Portal. Proven to increase child support collections, the e-IWO will save both employers and States time, money and resources.

The Portal coordinates, manages and facilitates the transmission of all e-IWO files from States and employers. Filing IWOs electronically has many other advantages:

- When a single layout is used by all States employers and payroll processors can always rely on consistent data.
- Having this Portal means that employers only have one place with which they must connect for the e-IWO process.
- The portal operates in a secure environment—all transmissions and data files are protected.
- Income withholding orders established and made available for electronic processing by the States are pulled from the States' system, verified to ensure data format and types are consistent with data rules and forwarded to the employer using the Portal.

### Two Options to Implement e-IWOs

Employers/payroll processors have two options to implement the e-IWO process.

**1. Programming Option**—This is a fully automated process where e-IWO files are received through the OCSE Portal and automatically update the employer's payroll system.

**2. No Programming Option**—If employers do not have the Information Technology resources available to fully automate the process they can choose to receive a Portable Document Format (PDF) of the IWO along with a fillable PDF or spreadsheet of the Acknowledgment. With this option employers need only complete the Acknowledgment, which involves minimal data entry and then save the document so it can be retrieved by the Portal.

After receiving the e-IWO, the employer generates an electronic acknowledgement indicating the action taken (e.g., the IWO was implemented, the IWO was rejected because the employee is not employed there, etc). With this acknowledgement process, States receive notification much sooner (within days) if an obligor's employment has ended or if an obligor has never been employed by a particular employer—all electronically. **HHS/OCSE**

### Learn More

- Software Interface Specification document, which contains all the background and technical documentation, may be found at [www.acf.hhs.gov/programs/cse/newhire/employer/publication/eiwo/sis/eiwo\\_sis\\_qc.htm](http://www.acf.hhs.gov/programs/cse/newhire/employer/publication/eiwo/sis/eiwo_sis_qc.htm)
- Federal Office of Child Support Enforcement at [www.acf.hhs.gov/programs/cse/newhire/employer/private/newhire.htm](http://www.acf.hhs.gov/programs/cse/newhire/employer/private/newhire.htm)
- Contact Sherri Grigsby, Manager, Employer Services & Special Matching Programs Federal Office of Child Support Enforcement at [sherri.grigsby@acf.hhs.gov](mailto:sherri.grigsby@acf.hhs.gov), (202) 401-6114 or Bill Stuart at [william.k.stuart@lmco.com](mailto:william.k.stuart@lmco.com).

## Reporting New Hires is Mandatory

The federally mandated New Hire Reporting program is vital to the success of the child support enforcement program. Employers make a huge difference in ensuring that children

receive the financial support they deserve by submitting new hire data to state agencies shortly after the date of hire.

This information is stored on the State Directory of New Hires and then forwarded to a centralized repository, the National Directory of New Hires, which contains employment information (new hire reports, quarterly wage reports, and unemployment claimant data) for the entire nation.

These data are matched daily against child support cases to locate missing parents, establish paternity, establish or modify child support orders, enforce support orders and obtain health insurance coverage for children. States also use the information from employers to reduce overpayments in areas of unemployment insurance, disability insurance and workers' compensation benefits.

Many states have Internet reporting, reporting by phone and reporting by fax to make it easier for employers to report their new hire data. In addition, multi-state employers may elect to submit all their new hire reports to one state. If employers choose this option, they must notify the Secretary of HHS of the state that they have chosen. Notifications may be submitted online on the OCSE multi-state Employer Registry (see link below) or via fax or mail to:

U.S. Department of Health & Human Services  
Office of Child Support Enforcement  
Multistate Employer Registration  
Box 509  
Randallstown, MD 21133  
(410) 277-9479 (for questions)  
(410) 277-9325 (fax)

For more information about New Hire Reporting, including links to each state's reporting requirements, visit the Federal Office of Child Support Enforcement website. **HHS/OCSE**

### Learn More Online

- Federal Office of Child Support Enforcement at [www.acf.hhs.gov/programs/cse/newhire/employer/private/newhire.htm](http://www.acf.hhs.gov/programs/cse/newhire/employer/private/newhire.htm)
- OCSE Multistate Employer Registry at <http://151.196.108.21/ocse>

## The Correct “Process” for Correcting an Employment Tax Return

Even the best of us can make a mistake on a quarterly Form 941 (or on a Form W-2, which often creates an error on the 941). The IRS has introduced a new form for correcting the dollar amounts on a previously filed 941: Form 941-X, *Adjusted Employer's Quarterly Federal Tax Return or Claim for Refund*. The American Payroll Association offers the following guidance in your first step on the form: choosing the correct process.

Remember, the 941-X is a stand-alone amendment to a Form 941 from a previous quarter. Near the top of the form, you'll indicate which quarter and year you are correcting. For each correctable line on the 941, there is a corresponding line on Form 941-X. You'll indicate the corrected amount (i.e., what you would have reported had the error not occurred), the originally reported amount, and the difference.

There are also “X” forms for each of Forms 943, 944, 945, and CT-1.

### “Adjusted return” or “Claim”

After filling in your identifying information, you are asked to select your process.

■ “Adjusted employment tax return:” If you owe money to IRS, you will make a payment as you file

Form 941-X. If IRS owes you money, you'll include the amount in the “Total deposits” (line 11) on your current quarter's 941. However, you won't have to attach the 941-X to that 941.

■ “Claim:” If IRS owes you money, it will issue a refund of the amount it owes you. Or, if IRS had sent you a balance due notice for that same quarter, it will apply the amount against that balance.

### Crucial timing for an “adjusted return”

If IRS owes you money and you want to use the adjusted return process (applying the amount as a deposit on a Form 941), IRS advises you to file the 941-X in the first two months of a quarter. This will give IRS enough time to process the 941-X and post the credit before you file the 941. For example, if in December 2009 you discover IRS owes you money, and you want to use the adjusted return process, you should wait until January 2010 to file Form 941-X and record the credit as a “deposit” on the 941 for the first quarter of 2010.

### Corrections in both directions for one quarter

If, for one quarter, you owe money to IRS (e.g., income tax withholding), and IRS owes you money

(e.g., social security tax), it's a little more complicated.

■ Use the adjusted return process if the net of the corrections is that you owe IRS, or if the net result is that IRS owes you and you want to apply the credit to your next 941. (Interestingly, you cannot “claim” a refund, even if the net result is that IRS owes you.)

■ Or, file two separate Forms 941-X. Use the adjusted return process for the amount you owe IRS (and make a payment). Use the claim process for the amount IRS owes you (and IRS will send a refund).

Be sure to also see the new expanded instructions for this form, which include lots of examples. **APA**

*Editor's Note: The American Payroll Association's strong partnership with the IRS and SSA allows it to prepare its publications and classes, such as Preparing for Year-End and 2010, with the most accurate and up-to-date information to educate employers. More information about the APA is available at <http://www.americanpayroll.org>.*

### Learn More Online

■ Correcting Employment Taxes, [www.irs.gov/businesses/small/article/0%2C%2Cid=187188%2C00.html](http://www.irs.gov/businesses/small/article/0%2C%2Cid=187188%2C00.html)

■ Form 941, [www.irs.gov/pub/irs-pdf/f941.pdf](http://www.irs.gov/pub/irs-pdf/f941.pdf)

■ Form 941-X, [www.irs.gov/pub/irs-pdf/f941x.pdf](http://www.irs.gov/pub/irs-pdf/f941x.pdf)

## APA Seminar Addresses Compliance Issues of Year-End Payroll Processing

The American Payroll Association's one-day class, *Preparing for Year-End and 2010*, at locations around the country from Mid-October through mid-November, provides updates on the latest changes in legislation and regulations that affect the close of 2009 and the beginning of 2010, including:

- Calendar of year-end tasks
- Fringe benefit taxation and reporting
- DOL guidance on compensability of on-call time
- New Form I-9 and new list of acceptable work authorization documents
- Payroll aspects of the president's FY 2010 budget proposal
- Annually announced values (pension plan limits, mileage rates, etc.)

Most of the one-day classes also include a presentation by IRS and SSA. The classes will also be offered as a series of webinars over the Internet. Some classes are customized for government/public sector payrolls and for accounts payable professionals.

For more information, visit the APA Web site at [www.americanpayroll.org/product/7/60](http://www.americanpayroll.org/product/7/60) (one-day classes) and [www.americanpayroll.org/product/49/120](http://www.americanpayroll.org/product/49/120) (webinars). **SSA**

## Changes for Filing Amended Forms 1042-S Electronically for TY2009

Chapter Three Withholding, Form 1042-S (*Foreign Person's U.S. Source Income Subject to Withholding*), has made minor changes to the amendment process for the upcoming tax year. A new field will be added to the “W” and “Q” records, to file amended returns.

Amended transactions must now reflect an Amended Return Indicator in position 810 of the W and Q records.

■ For an Error Type 1: Enter a “G” in position 810 for all W and Q Records.

■ Error Type 2: Step 1, enter a “G” in position 810 for all W and Q records. Step 2, enter a “C” in position 810 for all W and Q Records. (Step 2 for Error type 2 must now also have the Type Return Indicator of 1.)

*Note:* All amended returns must continue to also have a return type indicator of “1” in position 2 of the “W” and “Q” records. This includes the second step of the 2 step correction. Position 810 within the record layout was designed to improve the accuracy of the amended returns process. **IRS**

### Learn More Online

■ Pub 1187, *Specifications for Filing Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, Electronically*, [www.irs.gov/pub/irs-pdf/p1187.pdf](http://www.irs.gov/pub/irs-pdf/p1187.pdf)

■ Call toll-free 1-866-455-7438



## News and Announcements

### Information on E-Business and E-Commerce

A new tax center on IRS.gov provides a centralized source for E-Business and E-Commerce related issues. **IRS**

■ Is it Too Good to Be True? Home-Based Business Tax Avoidance Schemes, [www.irs.gov/businesses/small/article/0%2C%2Cid=205163%2C00.html](http://www.irs.gov/businesses/small/article/0%2C%2Cid=205163%2C00.html)

### New Additions on the Small Business Video and Audio Presentations Page

The IRS Small Business Video and Audio Presentations website on IRS.gov includes many short presentations dedicated to helping small businesses. To view the videos, please download the Flash Player if you don't already have it. Recently added:

- National phone forum on proper worker classification
- A three-part series on correspondence examinations **IRS**

Small Business Video and Audio Presentations are at [www.irs.gov/businesses/small/article/0%2C%2Cid=97726%2C00.html](http://www.irs.gov/businesses/small/article/0%2C%2Cid=97726%2C00.html)

### Processing Online Forms W-2C for Prior Tax Years

Effective December 7, 2009, Business Services Online (BSO) will begin accepting online Form W-2Cs submitted for tax years 2006 through 2009. Correction reports for those years can be submitted through April 15, 2010. Beginning on April 15, 2010, however, only W-2Cs for tax years 2007 through 2009 can be submitted, due to the 3 year 3 month and 15 day statute of limitations. **SSA**

- BSO Wage News at [www.ssa.gov/bsowagenews.htm](http://www.ssa.gov/bsowagenews.htm)

### IRS Provides Tips for Proper Employment Tax Treatment of Part-Time or Seasonal Workers

For many businesses, the late fall and holiday season traditionally brings an influx of part time or seasonal workers into the work force. Employers must ensure they are treating these workers properly for employment tax purposes.

Generally, workers are either employees or independent contractors, based upon the facts and circumstances of the relationship between the business and the worker.

For federal income tax withholding, Social Security, Medicare, and federal unemployment tax purposes, neither the number of hours worked nor amount earned alone determines the status of an individual as independent contractor or employee. For example, an individual can be an employee even though the individual works one hour a week or one day a year.

Furthermore, businesses must remember that part-time or seasonal workers who are employees are subject to the same tax withholding rules that apply to other employees.

More information and links to other resources about treating seasonal/part-time workers is on the Part Time or Seasonal Help Web page on IRS.gov. **IRS**

- Part Time or Seasonal Help, [www.irs.gov/businesses/small/article/0%2C%2Cid=101033%2C00.html](http://www.irs.gov/businesses/small/article/0%2C%2Cid=101033%2C00.html)
- Publication 15 (2009), (Circular E), *Employer's Tax Guide*, [www.irs.gov/publications/p15/index.html](http://www.irs.gov/publications/p15/index.html)

# Reporter

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**Comments** may be sent to John Berger, Editor

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Attn: BMF Entity Control Unit

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